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UNITED STATES DEPARTMENT OF AGRICULTURE
Flood Control Coordinating Committee
Washington, D. C.

September 9, 1938

MEMORANDUM TO FIELD FLOOD CONTROL COORDINATING COMMITTEES
(Through BAE, FS and SCS)

Subject: Project Cost Records

1. This Office has suggested the need for project cost records to supplement the requirements of fiscal accounting demanded by the Budget and Departmental regulations or policy. In the development of such a long range plan as flood control, involving huge expenditures, the necessity for the building of cost experiences of the various techniques employed is apparent. We need to provide for these experiences at the outset of our survey work and certainly of our operations.

2. Cost figures will serve a number of essential purposes:

(a) Survey cost estimates are now speculative; even a short experience will permit a much more intelligent presentation of estimates to the Secretary and to the Budget than is now possible. This is of particular importance. Relatively large sums have been appropriated for investigations - seven million dollars in the aggregate for 1938 and 1939 for equal expenditure by War and Agriculture. The Budget is therefore demanding complete justification. This position is reflected in the President's statement of July 7 to the Secretary as to the making of examinations and surveys of new localities for flood protection purposes and the advisability of the postponement of new flood control projects until we have made some headway towards financing the projects to which we are now committed. The President's statement should be considered in reference to Section 7 of the Flood Control Act of 1938 and the provision for correlation of War and Agriculture operations. There is also to be considered the presentations that must be made before committees in Congress.

(b) Plans and estimates of costs for War Department operations are specifically authorized project by project by Congress. Agriculture's plans for project operations are not sent to Congress for approval in view of their correlation with authorized Army projects as provided for by Section 7 of the Flood Control Act of 1938. They must by law, however, be approved by the Secretary of Agriculture. Moreover, the President has directed the Secretary to submit to him designated projects

in order of their urgency for consideration of an operation program. It is presumed that the President has established this policy in respect to Agriculture to provide correlation with War, and in view of the law which requires him to approve the flood control projects and work priorities of the Corps of Engineers. In view of these procedures and the anticipated great costs of our projects, there must be ample justification for our estimates. For another thing, many of our projects will involve cooperation with State or local agencies, necessitating reasonably accurate estimates of costs of the various phases of operations as a basis of contributions and agreements.

3. It is intended to avoid the setup of a system so cumbersome that it defeats its purpose. With this in mind, careful preliminary studies of various systems will be made, including those now in operation within the Department or used by the Corps of Engineers, the Public Works Administration, the CCC, or other agencies engaged in large scale works. The conclusions of this study will be presented to the field committees for comment before final adoption. In the meanwhile it is suggested (a) that the field committee chairmen instruct each survey party leader or operations head to initiate immediately a temporary system which will at least provide for an accounting of major classes of survey or operations expenditures in terms of both dollars and time (man-days) per unit of work; and (b) forward to this Office from time to time, through appropriate bureau channels, any suggestions that may assist in the development of a system of cost keeping adapted to the technical requirements of our flood control survey and operations program.

A. C. Ringland, Chairman,
FLOOD CONTROL COORDINATING COMMITTEE.